G. R. S. IX-5]

Previous references.

File No. 226-17

1917-18.
(97.)

Serial Nos. 17-19.

Later references.
L.R. 118-39-(1-2)
L.R. 93 (1-2)

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. 3

Part B for May 1918

SUBJECT.

Aids to Coffee Industry — by helping the Coffee planters with Taccavi Loans.

To The Comptroller to Govt Sec Govt
No 7C: 6456-68 dt 2-5-18

Sanctioning a Scheme for helping the Coffee planters with Taccavi Loans, on the part of the State.

W D 1250—GPB—30,000 28-1-19

G. R. S. III—1]

191 7-18

GENERAL AND REVENUE SECRETARIAT.

(D & C)

NOTES.

1917-18

File No. 205

97

FILE HEADING.

Aid to Coffee industry

From

No.	Dated	Received

Diary No.	Enclos.	Spare Copies.	Serial No.

BRIEF ABSTRACT OF LETTER.

NOTES AND ORDERS.

NOTES—First Sheet.

WD 1232—GPB—20,000—18-11-16

4354

2104
2105

WD 1233—GPB—60,000—1-12-16—S.

(2)

G. R. S. III-2]

General and Revenue Secretariat.

31 C File No. 205 of 1917-18

Serial No.

As a result of the correspondence on the subject with the Residency it has been ascertained that no specific restrictions have been placed on the shipment of coffee and that, after providing for priority cargo, coffee may be allowed if space permits. The file is now with II Subd

DR 18/21.8. (2) The subject is being dealt with in Branch II. This will be forwarded to that Branch for being considered if necessary along with the general question.

DR 18/2 Br. II

D. M. 20/2

Subd. (3) No. 1 is final and thanks acquiesced in by VI.

DR 22/2

Does not relate to the particular hardships.

No. 2 - emphasis attached to plans in the coffee file with II

Attached

16 22.2.18

VI (4)

2nd subd

DR 23/2/18 (5) Mass of Some

D. M. 26/2

NOTE—Contn. sheet.

5098(a)

(3)

D 2492

MD 1253—GPB—60,000—1-12-16—S.

G. R. S. III-2]

General and Revenue Secretariat.

File No. 205 of 1917-18

Serial No. -Co

Letter No. 8770 Dt. 4.3.18 to the Chairman Bank of Mysore. Requested to be informed if & to what extent the Bank can finance the Coffee in Darbhy.

12 Letter No. Gen/67 & 14th March 1918 from the Manager, Bank of Mysore forwarding a copy of the Chairman's letter 8(35-9-1) and stating that the Board agree with the terms and conditions of finance as laid down in para 3 of the Govt. letter.

(6) The letter of 25th Sept. last is being dealt with in Branch II (Vide note above). May this be sent to Branch II for putting up that file?

SD 21/3/18

7) The question has been considered in Sec. II perhaps. This will be transferred to that branch if approved.

KB 21/3/18

yes D.M. 21/3

Recd 19/4/18

NOTE—Contn. sheet.

WD 1238—GPB—60,000—1-12-16—S.

R. S. III-2]

General and Revenue Secretariat.

Fl File No. Mis 395 of 1917.

Serial No.

COFFEE FINANCE.

Now that the question of giving fianancial assistance to coffee planters in the State has been finally disposed of by the issue of Government Order No. Fl.6456-58 dated 2nd May 1918 the connected --- files will be transferred to Industries and Commerce section (Branch VI of the Secretariat). The following work has to be attended to by that section:-

(a) Forms to be got printed and supplied

(b) Procedure in regard to the issue of Export License to be settled and casesdealt with

(c) Individual loan cases to be disposed of.

Secretary, E. & A.)

Recd 5 P.m. 7/5/18

2. In my humble opinion the matter should, I think, be dealt with in Br I & Br II. The advances are given under the Land Improvement loans rules practically though with some modifications & such loans are not dealt with in Br VI

7/5/18

3. To Rev. Secy with compliments. The sanction of individual Takavi loans

NOTE—Contn. sheet.

WD 1233—GPB—60,000—1-12-16—S.

Serial No.

is a matter with which the Rev. Branch is concerned.

9/5

10/5

4.

Br I. Please examine & put up the necessary draft. Copy of the G.O may be retained for further action (and the H section files dealing with the question may be returned.

H Branch files re:
his 1288-17
Dec 136-18

10.5.18

10/5

5. Though these loans are To be granted under the Takavi Loan Rules, they are intended only as a temporary measure for affording relief to coffee Planters. Such special loans are not (April) dealt with in Branch I & but are usually disposed in Br II. when it seems the necessary action has to be taken.

6. If however it is deemed necessary to deal with such cases in this Branch then, the Superintendent Govt Press may be authorised

H 395[redacted]7 (13

G. R. S. III-2]

General and Revenue Secretariat. | File No. | of 191 .

Serial No.

to print and supply copies of the forms to the Special officer. (Draft to be put up is approved)

(b) Br. III may be consulted about the grant of licences for export.

(c) Individual cases will be disposed of (on their merits) when they are sent up to Govt. Submitted for orders.

RRR 11.5.18 7. Please put up draft re (a).

11.5.18 Has the Special officer been appointed.

Mra 4.5

8. Draft put up. It is a matter for orders whether any price has to be fixed for the several forms (except D, which is official). Branch V has also to be consulted as the work is new. Submitted

RRR 11.5.18 9. No price need be fixed for the forms. The draft may be appd.

11.5.18 10. It is matter for orders whether this should be dealt with in Br I or Br II. In the circumstances mentioned

NOTE—Contn. sheet.

WD A 1789—GPB—60,000—20-8-18—S.

G. R. S. III-2]

General and Revenue Secretariat.

H Mis 395

File No. of 191 .

Serial No.

in para 5 supra, it seems more appropriate for Br II to deal with this

May Br III be consulted regarding the issue of Export Licences

Rev Secy)

Mon. 12.5.18

I think the understanding was that the H Secy was to deal with these loans. The most convenient course would be for all connected questions to be dealt with in Br II.

Chief

H Secy)

Offg 13/5/18 Mon 13/5

18 14/5?

259 14/5

As regards cases falling under (b) in my note on page 1, Secy E & A has kindly issued a notice in the Gazette inviting applns for export licences to this department. So the Finance Branch has no concern with that class of cases.

As regards applns for coffee Takavi loans I do not know what understanding the Chief Secy refers to. The grant & recovery

NOTE—Contn. sheet.

WD A 1769—3/18—60,000—20-3-18—S.

WD 1283—GPB—60,000—1-12-16—S.

G. R. S. III-2]

General and Revenue Secretariat.

File No. [illegible] of 1917.

Serial No.

of Takavi loans of all kinds under the Land Rev Regulation are & should continue to be dealt with in the Revenue Deptt. The operations will involve exercising control over the Dy Comms as Land Revenue offices. ~~& consult the proper Collectors~~

URGENT.

To avoid delay AS this can arrange to have the forms printed at once. I should like to see proofs. The papers will then be sent back to the Rev Secy for submission to Member for orders as to whether the work does not properly appertain to the Rev. Branch.

Jm
16/5

Advance Draft
18
16/5.

A.

Draft Subd.
Jm
17/5.

H. 6924 & 18/5718 — to the Supdt. Govt. Press — requests him to get the forms printed early.

May the papers be now subd to the Revenue Secretary as directed above?

Jm
18/5

To Revsecy with Compliments.

18
18/5/18

In orders on the point referred to at A in the Rev Secy's note above.

Jm
20.5.18

2nd Member) Edward Maude 16

12/
21.5.18.

NOTE—Contn. sheet.

G. R. S. III-2)

General and Revenue Secretariat.

File No. Fins 345 of 1917.

Serial No.

Note the Due to the Branch
This is a Govt financial scheme
affecting and the need to the
Treasy - and this means
that the whole work must be
Done without reference of

Y
1/5

To Financial Secretary, with compts.

Sd
22.5.18.

dm
22/5

Sub.
Sd
22/5/18.

Sec
24/5/18

A/S Fin

Please note that all work in
Connection with copper loans should be done
in the Fin. Branch. If and when necessary
addl staff must be employed.

M
23/5

18
26/5/18

NOTE—Contn. sheet.

V Sec 205-17-9 1854 2105 B.P

Extract from the address presented by the North Mysore Native Planters' Association Oct. 1917

The chief difficulty under which the coffee industry is suffering is want of sufficient and cheap capital. We are very sorry to say, Sir, that in this very Assembly whenever the question concerning the coffee industry was brought forward we have been told by the Government that our industry is a speculative one. I beg to lay before you, Sir, that it is not in any way more speculative than any other crop grown in the Province. The industry is more than a hundred years old and is a well established one. Moreover, the coffee plantations are occupying a large extent of land where no other crops can be grown and it is giving employment to a number of energetic gentlemen of the malnad and also the industry employs a large amount of labour. We pray that the Government will view our industry sympathetically and also see their way how the State-Aided Mysore Bank can help this important industry in the present crisis.

9-7-205-17

2-6-1-1

G. R. S. VI—G/32]

SUBJECT.....

Re. help from the Mysore Bank to the Coffee Industry.

Diary No. of letter replied to D 4857

GENERAL AND REVENUE SECRETARIAT,
( )
, *the* 191 .

Section J C
File No. 201 ff 7
Serial No. 70

G.T. 226-17-8

No. 8770/Ecl.

Date of issue 1-3-18.

Signed by Sri. L. Ou.

To

The Chairman
Bank of Mysore,
Bangalore.

Sir,

I am directed to forward herewith an extract from the address presented by the North Mysore Native Planters' Association to the Dewan during Oct^{r} 1917 regarding help to Coffee Industry and to request to be kindly informed if and to what

* To be Copied
P. H. D.

extent the Bank can
undertake to finance the
Coffee Industry in the State.
I am to add that
A complete scheme may
be sent up to Govt at an early date

I have &c

Secy to Govt E.A

List of enclosure

Copied by

Examined by

WD 86—GPB—60,000—15-11-16

D 5098 5098

12-18

8446

205-17

1253

VI

18 MAR 1918

ALL COMMUNICATIONS TO BE ADDRESSED TO THE MANAGER.
TELEGRAPHIC ADDRESS: "MYSOREBANK."
CODE: A. B. C. 5TH EDITION.
POST BOX No. 37.

No. 210/172

The Bank of Mysore, Ltd.,

Bangalore, 14th March 1918.

D 2498

~~D 2498~~

The Secretary to Government,
Departments of Education & Agriculture,
Bangalore.

Sir, .

In reply to your letter of the 4th instant No 8770/I & C 205-17-10, on the subject of finance to coffee planters, I am -- directed to forward a copy of the letter from the Mysore Chamber of Commerce No 1629 dated 25th September last to you, and to -- intimate that the Board agree with the terms and conditions of finance as laid down in para 3 of the said letter.

I have the honour to be,

Sir,

Your most obedient servant,

Manager.

MEMBERS OF THE BRITISH IMPERIAL COUNCIL OF COMMERCE

The Mysore Chamber of Commerce.

POST BOX NO. 39.

Bangalore, 25th September 1917.

No. 1629.

Confidential.

FROM

W. C. ROSE ESQ.,
CHAIRMAN, MYSORE CHAMBER OF COMMERCE,
BANGALORE.

To

P. G. D'SOUZA ESQ. B.A., B.L.,
SECRETARY TO THE GOVERNMENT OF HIS HIGHNESS
THE MAHARAJA OF MYSORE, DEPARTMENTS OF EDUCATION
AND AGRICULTURE, BANGALORE.

Sir,

I have to acknowledge the receipt of your letter No. 1724, I & C 137-16 dated 18th August 1917 in reply to the Chamber's communication No. 1128 dated 6th June 1917 on the subject of financial assistance to coffee planters in the Mysore State.

My Committee have been favoured with the opinions of the several Mysore Planters Associations as also the formal views of the representatives of the Mysore Coffee Planters present at the recent annual conference of the United Planters Association of Southern India, and I am desired by the Committee to submit to Government the following suggestions and recommendations on the subject under correspondence.

1. The recent notification of the Government of India, and referred, to in para 2 of your letter under reply, granting authority to Banks to finance Coffee after articles on the main preferential list is welcomed by the planting community, but recent advices to the Chamber, however, point in the direction that Banks are far from being in a position to undertake this further liability of the negotiation of estate bills under credits issued from London, and to remove all doubts in the matter it is desirable that some definite assurance may be given by banks of their willingness to regularly negotiate bills drawn under such credits for their usual constituents, as otherwise, the present precarious condition of carrying on estates will be intensified. If no such assurance on the part of the Exchange Banks is possible, my Committee fear that the suggestion put forward by the Government of India

for Banks to grant advances on British Treasury Bills, purchased by planters out of the sale proceeds of their last crop, and deposited in the London offices of Banks as security for advances in this country will not prove practicable for the reason that if credits issued by the London offices of Exchange and other British Banks for a shorter currency, than would be the period necessary for local advances, are refused negotiation it is scarcely probable that Banks will be able to make the suggested advances. Apparently, the suggestion to purchase British Treasury Bills is made with a view to provide security to the Banks, but it is submitted that the credits of London Banks do not fail on the point of security. There is, also, the hardship, small as it may be in ordinary years, that by an investment in British Treasury Bills a borrower will be an unnecessary loser of the difference of interest received on the suggested investment and that charged by Banks in India for advances.

2. *Crop Estimates 1916—17.* In the Chamber's communication No. 1128 dated 6th June para 5 it is mentioned that the approximate total crop exported was estimated at about 2750 tons. Recent advices from West Coast Shipping Agents show that this estimate was not far short of the actual as will be perceived from the following figures:—

	Tons.	Tons.
Estimated total crop of Mysore Coffee for season 1916-17.		6,500.
Total exports to the United Kingdom	1,510	
„ „ other European ports	840	
	2,350	
Sales in India	3,170	
Estimated crop in hands of curers and estates about	980	6,500

From enquiries made by the Committee, the 1917-18 crop is estimated as not likely to exceed 3,500 tons, but of this total about 33 per cent will require no finance, as financial assistance has already been assured from usual sources, leaving about 2,350 tons requiring financial aid, excluding the amount of 1916-17 crop unsold and in the hands of curers and others in India.

3. Consequent on the unfavourable prospects of the current years crop, coupled with the fall in price, it is possible to reduce the estimate of the amount of finance necessary for securing the crop in sight, and it only now remains to consider the basis on which such an estimate should be governed.

With the certainty of a poor crop to be marketed this year it is submitted that to take acreage of cultivation as a basis would be somewhat risky, and my Committee are therefore of opinion that an estimated outturn of crop would be a safer guide, especially as such an estimate would be calculated by an experienced planter, to be selected by the several Associations in Mysore, and, also, have to be accepted by the Curing Agent of the planter, applying for the accommodation, as it is recommended that only on

the backing of the Curing Agent, or other approved surety coupled with the hypothecation of the years crop should financial assistance be granted. It is, also, suggested that the Letter of Hypothecation should stipulate that all the crop should go to the Curer, who will render accounts and remit proceeds of local sales, or if exported to furnish the shipping documents, to the lending Agency of the Government.

Taking Rs. 900 per ton as a fair average price now for the crop, if sold in this country, the aggregate value of the 2,350 tons requiring finance amounts to Rs. 21 lakhs. On this valuation it is suggested that it would be safe to advance 50 per cent thus making the extent of the financial assistance necessary to slightly over 10 lakhs–a sum which in the opinion of the planting community will suffice to cover all demands. If however the Exchange Banks give the assurance previously referred to, this estimate is capable of being reduced by 33%. The final alternative, in the mode of financial assistance, is the adoption of the system of Taccavi advances.

New Market. In consequence of the prevailing scarcity of tonnage with the probability that the restriction imposed on East India Coffee imports into the United Kingdom is likely to be strictly enforced for the 1917-18 crop, and the unsatisfactory state of the Home produce market for East Indian Coffee, my Committee have made enquiries as to the possibility of securing new and nearer markets for the industry. An investigation into the amount of coffee imported into countries east of Suez discloses the fact that over 23,000 tons are received by the following countries :—

(a)	Australia	cwts.	28,769	for official year 1915-16.
(b)	Aden	,,	1,26,244	,,
(c)	Straits Settlement	,,	40,264	for calender year 1916.
(d)	Ceylon	,,	14,233	,,
(e)	Union of South Africa	,,	2,57,629	,,

The figures are somewhat startling, especially those relating to Aden, and it is surprising that with consuming markets so near the country of production that, apparently, no effort has hitherto been made to meet the demand of these markets. There are no doubt financial reason why East Indian Coffee has continued to be exported to Europe, and also, probably the competition of Java coffee has been successful in maintaining a firm hold on the markets of (a), (c) and (e) but it seems very desirable that steps should at once be taken by the planting community to secure these markets With tonnage scarce, it is perhaps useless to rely on ordinary business methods for the capture of the markets in question, and as suggested in the Chamber's communication of the 6th June 1917, the Home Government should be asked to obtain from the Governments concerned some favourable treatment for all British grown coffee.

My Committee after full consideration of all the circumstances affecting the planting industry in the State, and with the approval of the several planting Associations in Mysore submit the following recommendation for the consideration of Government:

"The Government of India be asked to agree to and
"negotiate through the Secretary of State for India
"for the following as regards coffee:

(1) To obtain sanction for the export of the 1917-18 crop to the United "Kingdom and France.

(2) The total prohibition of other than British grown coffee into India, "Ceylon, Straits Settlements, East Africa, Aden and Mesopotamia.

(3) To prohibit the export, except under special license, of all coffee "from the United Kingdom to countries east of Port Said.

(4) Also for the preferential import of British grown coffee into "Australia and South Africa."

My committee in suggesting the Government of India to approach the Secretary of State to negotiate for the importation of East India Coffee into France are influenced by the fact that much of the Coffee remaining on the West Coast would not be appreciated in the United Kingdom, whereas it is eminently suitable for the French market and such a concession would be of the greatest benefit to the planting community, especially, Indian.

Obviously, the matter of the disposal of the current seasons coffee crop in or out of India is the crux on which depends the due repayment of the financial accommodation that may be granted to planters, and it must also be borne in mind that in the event of the crop not being disposed, and with a continuance of the conditions now prevailing, the question of finance for another seasons crop will have to be faced by the Government. My Committee are therefore strongly of opinion that the Government of India should be addressed in terms of the above recommendations, and, also, be asked to request the Comptroller of Shipping to reserve, on due notice, a proportion of tonnage in vessels sailing to ports of the above countries and especially that all possible shipping facilities may be rendered for the shipments of coffee to ports on the Persian Gulf, as it is in every way important that the growing trade between India and the hinterland of Arabia and Persia should be fostered.

I have the honour to be

Sir,

Your most obedient servant,

For the Mysore Chamber of Commerce,

(Sd.) W. C. ROSE,

Chairman.